

STATE OF NEBRASKA

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January 11, 2001

Mike Johanns
Governor

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol Building
Lincoln, NE 68509

Dear Mr. President and Senators:

I am pleased to present for your consideration my budget recommendations for the 2001-2003 biennium and my 2001 legislative initiatives to address Nebraska's priorities within the bounds of fiscal responsibility.

I continue to emphasize the priorities of lower taxes, less government, building Nebraska's economy, providing safe communities, and ensuring the health, safety, and success of Nebraska's children.

My recommendations for the 2001-03 biennium include \$60.0 million of direct property tax relief through the continued financing of the \$30 million additional State aid to Community Colleges. This has proven to be an effective method of providing nearly dollar for dollar tax relief to Nebraska's property taxpayers. I am also recommending \$89 million in FY2001-2002 and \$93 million in FY2002-03 for State aid to K through 12 education in Nebraska to offset the reduced property taxes that school districts may collect when the maximum levy is reduced from \$1.10 to \$1.00 per \$100 of valuation. While not as effective at providing direct tax relief, these amounts will provide indirect property tax relief and ensure that our school districts are not harmed by the mandatory reduction in their tax levy. Including these latest proposals, a total of \$327 million has been dedicated to direct and indirect property tax relief in the four-year time period ending in FY2002-03.

I convey to the various State agencies the necessity to be vigilant in their pursuit of the most efficient and effective methods of service delivery. This includes a continuous review of staffing levels, restraint in filling vacant positions or adding additional employees, and a determination to use new technology that will improve efficiency and access to government information and services. My budget recommendations, as further explained in the following pages of this Executive Budget, reinforce this message.

Our 2001 recommendations to further build Nebraska's economy include the creation of the Venture Capital Forum to provide education and technical assistance to start-up and small companies with rapid growth potential and to work with interested investors. I am also encouraging the Legislature to re-enact the Quality Jobs Act, the Nebraska Redevelopment Act, and to repeal the sunset on the funding mechanism for the Affordable Housing Trust Fund. These initiatives along with support for Omaha's riverfront development and Lincoln's Antelope Valley project are part of our efforts to build a strong 93-county economy in Nebraska.

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The safety of our citizens remains a paramount concern and will be further ensured by a considerable increase in support for the continued redeployment of State Patrol law enforcement officers from administrative posts back into direct law enforcement services, State funding of investigators, and with the addition of four State Patrol officers in each of the next two years. We will also add over \$28 million during the next biennium to finance the staff and operating costs for the new prison facility at Tecumseh and \$12 million for improvements to the Nebraska Center for Women at York.

My recommendations include a number of investments related to the healthy development of Nebraska's children. Special education funding is increased by over \$7.0 million in each year of the biennium and first time financing is provided for the Master Teacher and the Attracting Excellence to Teaching programs created by the 2000 Legislature. I also urge your favorable consideration of legislation to expand Nebraska's Teacher Mentoring program. For Nebraska's younger children we have committed an additional \$3.0 million to expand the number of early childhood projects across the State. Our support for higher education in Nebraska is unequalled.

The health of Nebraskans is critical to the well-being of our economy, our families, and individual quality of life. Significant additional funding is provided to address our continuing needs in the area of mental health, medical care, aging services, child welfare, and juvenile services. I have recommended over \$37.1 million in additional State funds over the biennium to address the needs of adults and children with mental illness and substance abuse issues in both institutional and community-based settings.

It is important that we work together to fashion the State's budget and policy course in a manner that is responsive to our desires for a Nebraska United. I believe the priorities advanced in my recommendations are consistent with that end and will serve Nebraskans well.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Johanns", written in a cursive style.

Mike Johanns
Governor